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## FOR IMMEDIATE RELEASE

### CITY OF HERMOSA BEACH VOTERS REJECT MEASURE O

*Voters Deny E&B's Proposed Project; City Oil Drilling Ban to Remain in Effect;  
Hermosa Beach to Repay E&B Natural Resources \$17.5M*

**HERMOSA BEACH, Calif.** - (March 4, 2015) – City of Hermosa Beach voters yesterday rejected Measure O, which sought approval of E&B Natural Resource Management Corporation's 34-well oil and gas drilling/production project at the City's 555 Sixth Street maintenance yard.

The unofficial tally shows 3,799 votes opposing Measure O and 1,106 votes in support. The City anticipates certification of the Measure O election results during the regular City Council meeting of Tuesday, March 24, 2015.

The Measure O election implemented a 2012 Settlement Agreement between the City of Hermosa Beach, E&B Resources Management Corporation ("E&B") and Macpherson Oil Company (for itself and Windward Associates) to resolve a lawsuit brought by Macpherson Oil Company against the City for breach of contract regarding oil drilling at the site of the existing City Maintenance Yard at 555 Sixth Street.

Per the terms of a settlement agreement, the City was obligated at E&B's request to ask the voters whether to amend the Hermosa Beach Municipal Code to allow E&B's oil drilling and production project to proceed at the City maintenance yard, and approve a development agreement that would afford E&B a vested right to proceed with the Project notwithstanding any future inconsistent change in the City's Municipal Code. Additional details about the settlement agreement are available here: <http://www.hermosabch.org/index.aspx?page=745>.

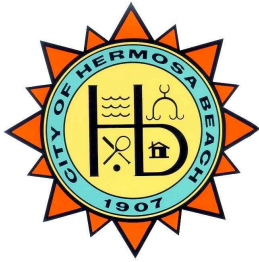
With the voters' rejection of the measure the City must pay E&B \$17.5 million. The City currently has \$6 million reserved for this expense; details regarding payment of the full amount will be determined by the City Council per the agreement with E&B.

For additional background materials on the project, please visit [www.hermosabch.org](http://www.hermosabch.org) and click on "Proposed E&B Oil Drilling and Production Project."

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#### About Hermosa Beach

Founded in 1907, Hermosa Beach is known as "The Best Little Beach City." Named "Southern California's Greenest City" for its work to protect the environment, it is a thriving community of



some 20,000 residents located on the southern end of Santa Monica Bay in Los Angeles County, and its beaches have been ranked among the best in the world. To learn more, please visit [www.hermosabch.org](http://www.hermosabch.org).